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May 9, 2002

Writer's Direct E-Mail  
rsartor@snellingslawfirm.com

Mr. Felix J. Boudreaux, Commissioner  
Louisiana Office of Conservation  
P. O. Box 94275  
Baton Rouge, LA 70804-9275

RE: Hearing Application  
Wilcox Reservoir "B"  
Hickory Valley Field  
Winn Parish, LA

Dear Mr. Boudreaux:

On behalf of John O. Clay Exploration, Inc., an application is made hereby for a public hearing to receive evidence concerning the following matters relating to the Wilcox Formation, Reservoir "B," in the Hickory Valley Field, Winn Parish, Louisiana:

- (1) To amend the definition of the Wilcox Formation, Reservoir "B," adopted in Order No. 1104-A, to define the unitized formation as that certain gas bearing sand strata encountered between the depths of 2065 feet and 2096 feet by electric log measurement in the John O. Clay Exploration, Inc., Louisiana Pacific/Hardtner No. 2 Well located in the Southeast Quarter of the Northwest Quarter of Section 16, Township 12 North, Range 1 East, Winn Parish, Louisiana;
- (2) To dissolve WX RB SU A created by Order No. 1104-A and to create three (3) drilling and production units for the Wilcox Sand, Reservoir "B," in the Hickory Valley Field, Winn Parish, Louisiana, to be designated as WX RB SU A through SU C, inclusive, the boundaries and location of such units being shown on the plat attached to and made part of this application;

- (3) To force pool and unitize all separately owned tracts, mineral leases and other property interests within each of the proposed units, with the production from the unit well on each unit to be allocated to the tracts within that unit on the basis of the surface acreage contained in each such tract;
- (4) To amend the rules and regulations applicable to the Wilcox Formation, Reservoir "B," established pursuant to the provisions of Order No. 1104-A to provide that future wells drilled to the unitized formation, whether located within or outside of the units created, shall be located no closer than two hundred (200) feet from any unit boundary and no closer than nine hundred (900) feet from any other well drilling to, completed in or permitted for the Wilcox Sand, Reservoir "B";
- (5) To designate John O. Clay Exploration, Inc., as the operator for proposed WX RB SU A and WX RB SU B and to designate the John O. Clay Exploration, Inc., Louisiana Pacific/Hardtner No. 1 Well as the unit well for proposed WX RB SU A and the John O. Clay Exploration, Inc., Louisiana Pacific/Hardtner No. 2 Well as the unit well for proposed WX RB SU B; and
- (6) To consider such other matters as may be pertinent.

The Wilcox Formation, Reservoir "B," was defined in Order No. 1104-A as that formation found between 2110 feet and 2140 feet by electric log measurement in the B. J. Long-Louisiana Pacific 16 #2 Well located in the Northwest Quarter of Northeast Quarter of Section 16, Township 12 North, Range 1 East, Winn Parish, Louisiana. The applicant proposes that this definition be amended to define the unitized formation as that certain gas bearing sand strata encountered between the depths of 2065 feet and 2096 feet by electric log measurement in the John O. Clay Exploration, Inc., Louisiana Pacific/Hardtner No. 2 Well located in the Southeast Quarter of the Northwest Quarter of Section 16, Township 12 North, Range 1 East, Winn Parish, Louisiana.

By pre-application notice dated April 16, 2002, the applicant advised the Commissioner of Conservation, the Shreveport District Manager and all Interested Owners, Represented Parties and Interested Parties of the applicant's intention to apply for the hearing which is the subject of this application. In response to this notice, the applicant was notified by Weyerhaeuser Company,

Mr. Felix J. Boudreaux, Commissioner  
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the successor in ownership to Willamette Industries, Inc., of its opposition to the creation of Sand Units E and F as proposed by the applicant in its pre-application notice. Accordingly, a pre-hearing conference in this matter was held on May 8, 2002, and was attended by David T. Frazier and D. R. Sartor, Jr., on behalf of the applicant, by George Barron on behalf of Octagon Resources Corporation and by Edward B. Poitevent, II, on behalf of Weyerhaeuser Company, who participated by telephone conference call.

At the conference, the applicant announced that since the preparation of the pre-application notice of April 16, 2002, it had drilled as a dry hole its Louisiana Pacific/Hardtner No. 4 Well in the Northeast Quarter of Northwest Quarter of Section 16, Township 12 North, Range 1 East, Winn Parish, LA, on what had been its proposed Sand Unit B, and that as a result of the drilling of this well, it is eliminating its proposed Sand Unit A and Sand Unit B (the Northwest Quarter of Northwest Quarter and Northeast Quarter of Northwest Quarter of Section 16) from this application, with the remaining proposed units redesignated accordingly, as shown on the revised plat attached to this application. Also, as a result of the discussion at the pre-hearing conference, the applicant agreed with Weyerhaeuser Company to delete its proposed Sand Unit F consisting of the Southeast Quarter of Southeast Quarter of Section 17, Township 12 North, Range 1 East, from the application, but the applicant declined to modify or to eliminate its proposed Sand Unit E consisting of the East Half of Northeast Quarter of Southeast Quarter of Section 17 and the West Half of the Northwest Quarter of Southwest Quarter of Section 16, Township 12 North, Range 1 East, from the application. It has been redesignated as Sand Unit C on the revised plat attached hereto.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties, as defined in the Commission's Rules of Procedure, is attached hereto. A copy of this application with the revised plat of the units as proposed by the applicant is being sent to each of such parties. As required by the Rules of Procedure, we hereby certify that a reasonable effort has been made to determine that the enclosed list includes all persons to whom this notice is required to be sent under these rules.

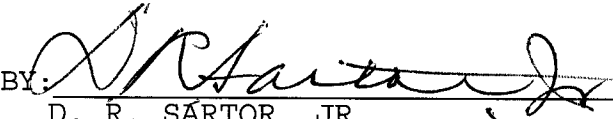
This application is being filed in duplicate and a copy thereof is being sent to the Shreveport District Manager of the Office of Conservation, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached

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list. A check in the amount of \$700.00 covering the required application fee for the requested hearing is enclosed with the original of this application.

Yours very truly,

SNELLINGS, BREARD, SARTOR,  
INABNETT & TRASCHER, L.L.P.

BY:   
D. R. SARTOR, JR.  
Attorneys for John O. Clay  
Exploration, Inc.

cc: Shreveport District Manager  
Louisiana Office of Conservation  
1525 Fairfield Avenue  
Shreveport, LA 71101-4388

Interested Owners, Represented Parties and  
Interested Parties named in attached list

JOHN O. CLAY EXPLORATION, INC.

Wilcox Reservoir "B" Hearing Application  
Hickory Valley Field, Winn Parish, LA

Louisiana-Pacific Corp.  
ATTN: R. V. Drummond  
P. O. Box 3107  
Conroe, TX 77305

Pardee Resources Group, Inc.  
Lockbox #137  
4646 Hwy. 6  
Sugar Land, TX 77478-5214

Mr. Palmer R. Long  
334 Corinne Circle  
Shreveport, LA 71106

W. D. Blake, Agent  
c/o Ms. Diana Chance  
400 Travis, Ste. 1208  
Shreveport, LA 71101

Willamette Industries, Inc.  
P. O. Box 1100  
Ruston, LA 71273-1100

Mr. David T. Frazier  
1703 North 5th Street  
Monroe, LA 71201

Trinity Group, L.L.C.  
c/o Mr. William Mann  
P. O. Box 5373  
Jackson, MS 39296

Mid-South Trading, Inc.  
c/o Mr. William Mann  
P. O. Box 5373  
Jackson, MS 39296

Octagon Resources Corporation  
P. O. Box 336  
Winnfield, LA 71483

John O. Clay Exploration, Inc.  
510 North 17th Street  
Monroe, LA 71201

Weyerhaeuser Company  
ATTN: Mr. Jerry D. Webb, Land  
Manager  
P. O. Box 9777  
Federal Way, WA 98063-9777

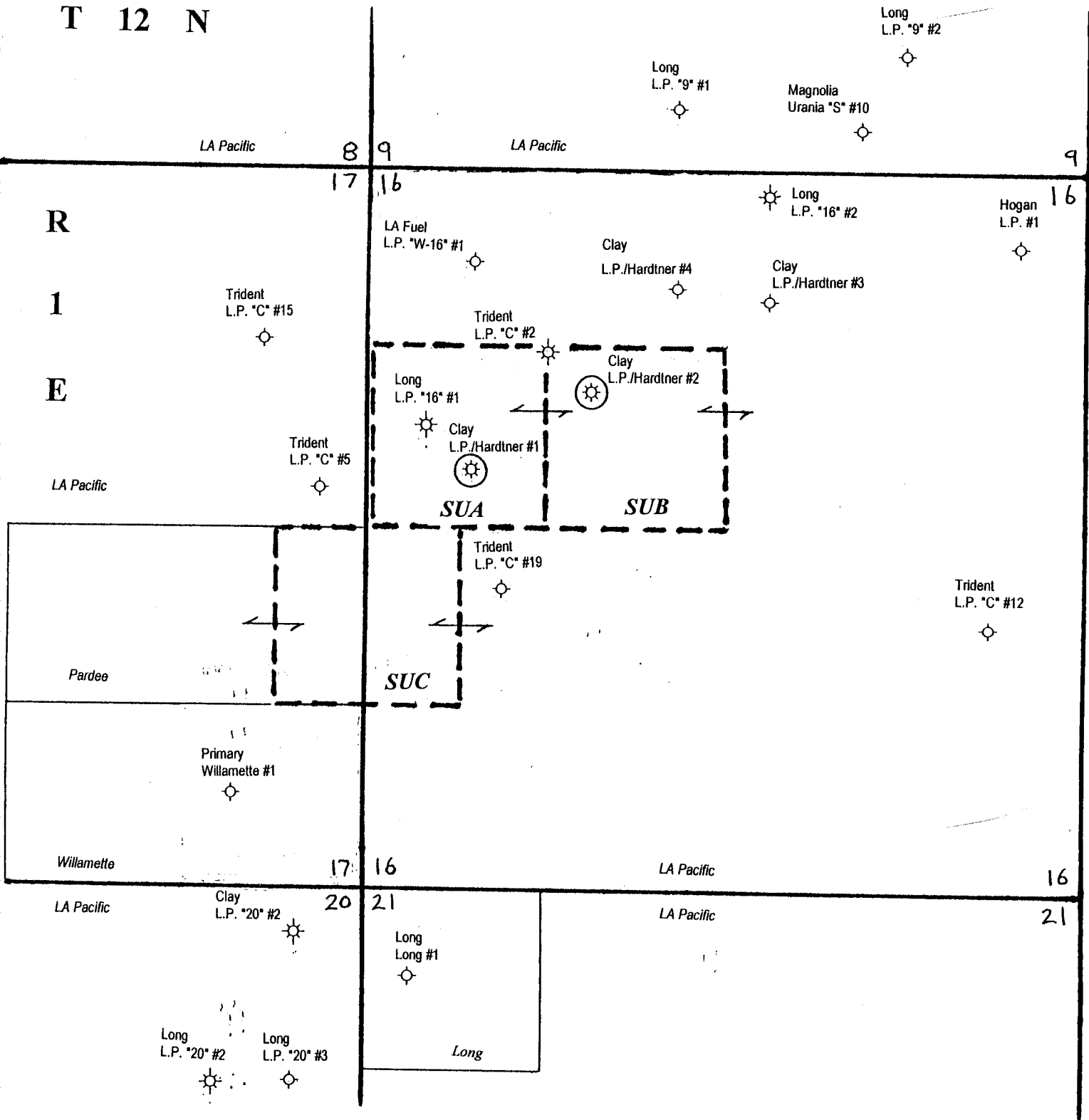
Mr. Edward B. Poitevent, II  
King & Spalding  
1100 Louisiana Street, Suite  
4000  
Houston, TX 77002-5213

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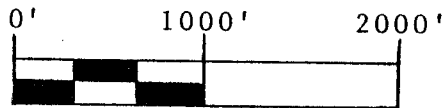
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E



○ PROPOSED UNIT WELLS



SCALE = 1:12,000



JOHN O. CLAY EXPL., INC.

HICKORY VALLEY FIELD  
WINN PARISH, LOUISIANA

PROPOSED UNITS: WX RB

Docket No.  
Date:

Exhibit No. 1  
Scale: 1" = 2000'